

the manufacturer continues to be responsible for offsetting any debits outstanding within the required time period. Any failure to offset the debits will be considered to be a violation of paragraph (e)(1) of this section and may subject the manufacturer to an enforcement action for sale of vehicles not covered by a certificate, pursuant to paragraph (e)(2) of this section.

(4) For purposes of calculating the statute of limitations, a violation of the requirements of paragraph (e)(1) of this section, a failure to satisfy the conditions upon which a certificate(s) was issued and hence a sale of vehicles not covered by the certificate, all occur upon the expiration of the deadline for offsetting debits specified in paragraph (e)(1) of this section.

(f) *NO_x credit transfers.* (1) EPA may reject NO_x credit transfers if the involved manufacturers fail to submit the credit transfer notification in the annual report.

(2) A manufacturer may not sell credits that are not available for sale pursuant to the provisions in paragraphs (a)(2) and (a)(7) of this section.

(3) In the event of a negative credit balance resulting from a transaction, both the buyer and seller are liable, except in cases involving fraud. EPA may void *ab initio* the certificates of conformity of all engine families participating in such a trade.

(4)(i) If a manufacturer transfers a credit that it has not generated pursuant to paragraph (b) of this section or acquired from another party, the manufacturer will be considered to have generated a debit in the model year that the manufacturer transferred the credit. The manufacturer must offset such debits by the deadline for the annual report for that same model year.

(ii) Failure to offset the debits within the required time period will be considered a failure to satisfy the conditions upon which the certificate(s) was issued and will be addressed pursuant to paragraph (e) of this section.

(g) *Interim non-Tier 2 NO_x credits and debits; Interim non-Tier 2 averaging, banking and trading.* Interim non-Tier 2 NO_x credits must be generated, calculated, tracked, averaged, banked, traded, accounted for and reported upon separately from Tier 2 credits.

The provisions of this section applicable to Tier 2 NO_x credits and debits and Tier 2 averaging banking and trading are applicable to interim non-Tier 2 LDV/LLDTs and interim non-Tier 2 HLD/MDPVs with the following exceptions:

(1) Provisions for early banking under paragraph (c) of this section do not apply.

(2) The fleet average NO_x standard used for calculating credits is 0.30 grams per mile for interim non-Tier 2 LDV/LLDTs and 0.20 g/mi for interim non-Tier 2 HLD/MDPVs. (The interim non-Tier 2 NO_x standard of 0.30 (or 0.20) g/mi replaces 0.07 in the text and calculation in this section.)

(3) Interim non-Tier 2 NO_x credit deficits may be carried forward for three years subject to the requirements of § 86.1860-04(e).

[65 FR 6868, Feb. 10, 2000, as amended at 66 FR 19311, Apr. 13, 2001]

§ 86.1862-04 Maintenance of records and submittal of information relevant to compliance with fleet average NO_x standards.

(a) *Maintenance of records.* (1) The manufacturer producing any light-duty vehicles and/or light-duty trucks subject to the provisions in this subpart must establish, maintain, and retain the following information in adequately organized and indexed records for each model year:

- (i) Model year;
- (ii) Applicable fleet average NO_x standard: 0.07g/mi for Tier 2 LDV/Ts; 0.30 g/mi for interim non-Tier 2 LDV/LLDTs; or 0.20 g/mi for interim non-Tier 2 HLD/MDPVs;
- (iii) Fleet average NO_x value achieved; and
- (iv) All values used in calculating the fleet average NO_x value achieved.

(2) The manufacturer producing any LDV/Ts or MDPVs subject to the provisions in this subpart must establish, maintain, and retain the following information in adequately organized and indexed records for each LDV/T or MDPV subject to this subpart:

- (i) Model year;
- (ii) Applicable fleet average NO_x standard;
- (iii) EPA test group;
- (iv) Assembly plant;

- (v) Vehicle identification number;
- (vi) NO_x standard to which the LDV/T or MDPV is certified; and
- (vii) Information on the point of first sale, including the purchaser, city, and state.

(3) The manufacturer must retain all records required to be maintained under this section for a period of eight years from the due date for the annual report. Records may be retained as hard copy or reduced to microfilm, ADP diskettes, and so forth, depending on the manufacturer's record retention procedure; provided, that in every case all information contained in the hard copy is retained.

(4) Nothing in this section limits the Administrator's discretion to require the manufacturer to retain additional records or submit information not specifically required by this section.

(5) Pursuant to a request made by the Administrator, the manufacturer must submit to the Administrator the information that the manufacturer is required to retain.

(6) EPA may void ab initio a certificate of conformity for a vehicle certified to emission standards as set forth or otherwise referenced in this subpart for which the manufacturer fails to retain the records required in this section or to provide such information to the Administrator upon request.

(b) *Reporting.* (1) Each covered manufacturer must submit an annual report. Except as provided in paragraph (b)(2) of this section, the annual report must contain, for each applicable fleet average NO_x standard, the fleet average NO_x value achieved, all values required to calculate the NO_x value, the number of credits generated or debits incurred, and all the values required to calculate the credits or debits. The annual report must contain the resulting balance of credits or debits.

(2) When a manufacturer calculates compliance with the fleet average NO_x standard using the provisions in § 86.1860-04(c)(2), then the annual report must state that the manufacturer has elected to use such provision and must contain the fleet average NO_x standard as the fleet average NO_x value for that model year.

(3) For each applicable fleet average NO_x standard, the annual report must also include documentation on all credit transactions the manufacturer has engaged in since those included in the last report. Information for each transaction must include:

- (i) Name of credit provider;
- (ii) Name of credit recipient;
- (iii) Date the transfer occurred;
- (iv) Quantity of credits transferred; and
- (v) Model year in which the credits were earned.

(4) Unless a manufacturer reports the data required by this section in the annual production report required under § 86.1844-01(e) and subsequent model year provisions, a manufacturer must submit an annual report for each model year after production ends for all affected vehicles and trucks produced by the manufacturer subject to the provisions of this subpart and no later than May 1 of the calendar year following the given model year. Annual reports must be submitted to: Director, Vehicle Programs and Compliance Division, U.S. Environmental Protection Agency, 2000 Traverwood, Ann Arbor, Michigan 48105.

(5) Failure by a manufacturer to submit the annual report in the specified time period for all vehicles and trucks subject to the provisions in this section is a violation of section 203(a)(1) of the Clean Air Act for each subject vehicle and truck produced by that manufacturer.

(6) If EPA or the manufacturer determines that a reporting error occurred on an annual report previously submitted to EPA, the manufacturer's credit or debit calculations will be recalculated. EPA may void erroneous credits, unless transferred, and must adjust erroneous debits. In the case of transferred erroneous credits, EPA must adjust the selling manufacturer's credit or debit balance to reflect the sale of such credits and any resulting generation of debits.

(c) *Notice of opportunity for hearing.* Any voiding of the certificate under paragraph (a)(6) of this section will be made only after EPA has offered the

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manufacturer concerned an opportunity for a hearing conducted in accordance with § 86.614 for light-duty vehicles or § 86.1014 for light-duty trucks and, if a manufacturer requests such a hearing, will be made only after an initial decision by the Presiding Officer.

[65 FR 6869, Feb. 10, 2000]

§ 86.1863–07 Chassis certification for diesel vehicles.

(a) A manufacturer may optionally certify heavy-duty diesel vehicles 14,000 pounds GVWR or less to the standards specified in § 86.1816. Such vehicles must meet all the requirements of this subpart S that are applicable to Otto-cycle vehicles, except for evaporative, refueling, and OBD requirements where the diesel-specific OBD requirements would apply.

(b) For OBD, diesel vehicles optionally certified under this section are subject to the OBD requirements of § 86.1806.

(c) Diesel vehicles certified under this section may be tested using the test fuels, sampling systems, or analytical systems specified for diesel engines in subpart N of this part or in 40 CFR part 1065.

(d) Diesel vehicles optionally certified under this section to the standards of this subpart may not be included in any averaging, banking, or trading program for criteria emissions under this part.

(e) The provisions of § 86.004–40 apply to the engines in vehicles certified under this section.

(f) Diesel vehicles may be certified under this section to the standards applicable to model year 2008 in earlier model years.

(g) Diesel vehicles optionally certified under this section in model years 2007, 2008, or 2009 shall be included in phase-in calculations specified in § 86.007–11(g).

(h) Diesel vehicles subject to the standards of 40 CFR 1037.104 are subject to the provisions of this subpart as specified in 40 CFR 1037.104.

(i) Non-petroleum fueled complete vehicles subject to the standards and requirements of this part under § 86.016–01(d)(5) are subject to the provisions of

this section applicable to diesel-fueled heavy-duty vehicles.

[76 FR 57379, Sept. 15, 2011]

§ 86.1864–10 How to comply with the fleet average cold temperature NMHC standards.

(a) *Applicability.* Cold temperature NMHC exhaust emission standards apply to the following vehicles, subject to the phase-in requirements in § 86.1811–10(g)(3) and (4):

(1) 2010 and later model year LDV/LLDTs.

(2) 2012 and later model year HLDT/MDPVs.

(3) [Reserved]

(4) Vehicles imported by ICIs as defined in 40 CFR 85.1502.

(b) *Useful life requirements.* Full useful life requirements for cold temperature NMHC standards are defined in § 86.1805–04(g). There is not an intermediate useful life standard for cold temperature NMHC standards.

(c) *Altitude.* Altitude requirements for cold temperature NMHC standards are provided in § 86.1810–09(f).

(d) *Small volume manufacturer certification procedures.* Certification procedures for small volume manufacturers are provided in § 86.1838–01.

(e) *Cold temperature NMHC standards.* Fleet average cold temperature NMHC standards are provided in § 86.1811–10(g)(2).

(f) *Phase-in.* Phase-in of the cold temperature NMHC standards are provided in § 86.1811–10(g)(3) and (4).

(g) *Phase-in flexibilities for small volume manufacturers.* Phase-in flexibilities for small volume manufacturer compliance with the cold temperature NMHC standards are provided in § 86.1811–04(k)(5).

(h) *Hardship provisions for small volume manufacturers.* Hardship provisions for small volume manufacturers related to the cold temperature NMHC standards are provided in § 86.1811–04(q)(1).

(i) *In-use standards for applicable phase-in models.* In-use cold temperature NMHC standards for applicable phase-in models are provided in § 86.1811–10(u).

(j) *Durability procedures and method of determining deterioration factors (DFs).* The durability data vehicle selection